

Amendment No. 2 to SB2639

Johnson  
Signature of Sponsor

**AMEND Senate Bill No. 2639**

**House Bill No. 1729\***

by deleting all language after the enacting clause and substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 71-5-151, is amended by designating the existing language of the section as subsection (a) and adding the following as new subsections:

(b) In developing or implementing any payment reform initiative involving the use of episodes of care with respect to medical assistance provided under this chapter by the bureau of TennCare or the health care finance and administration (HCFA) of the department of finance and administration, the bureau and HCFA shall not impose a fine or penalty on any provider. The bureau and HCFA may impose withholds in order to recover some portion of costs that exceeds a cost threshold for an episode developed by the initiative. A withhold may not be called a fine or a penalty.

(c)

(1) The bureau of TennCare and the HCFA shall study the means of fair and just implementation of the episodes of care initiatives, especially with respect to costs associated with:

(A) A healthcare facility located in an area that lacks an alternative healthcare facility within a thirty-minute drive;

(B) Lack of more than a single provider of healthcare services for, including, but not limited to, radiology, anesthesia, pathology, or physical therapy; and

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(C) Contractual arrangements between the bureau of TennCare, managed care organizations, and other participating providers or healthcare facilities associated with the particular episode of care if such contracts are the cause of increased costs.

(2) No later than January 31, 2019, the bureau of TennCare and HCFA shall report the results of the study conducted pursuant to this subsection (c) to the health and welfare committee of the senate and the health committee of the house of representatives.

SECTION 2. This act shall take effect July 1, 2018, the public welfare requiring it.